Private banks in rural areas

†3301. SHRIMATI SAVITA SHARDA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government have formulated any scheme to encourage private banks to start banking services in rural areas;

(b) if so, the details thereof; and

(c) by when the said scheme is likely to be implemented?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) Under their licensing conditions, new private banks are required to open at least 25% branches in rural and semi urban areas. Old private banks also have about 24% branches in rural areas.

Revamping of accounting standards

3302. SHRI ABU ASIM AZMI: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether there is any proposal under Government's consideration to revamp the accounting standards and plugging the loopholes in the norms for mergers and acquisitions and allotment of preferential shares;

(b) if so, what are the details thereof; and

(c) by when it is likely to be completed?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) Information is being collected and will be laid on the Table of the House.

Naresh Chandra Committee on Auditors

3303. SHRI ABU ASIM AZMI: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Naresh Chandra Committee which was appointed to look into issues relating to Auditor-Company relationship, appointment of auditors, etc. has since submitted its report;

(b) if so, what are the salient features thereof; and

†Original notice of the question was received in Hindi.

(c) what action Government have taken thereon?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH) : (a) and (b) Yes, Sir. Some of the salient recommendations are:—

- Disqualifications for audit assignments;
- Prohibition of certain non-audit services;
- Independence Standards for Consulting and Other Entities that are affiliated to Audit Firms;
- Compulsory Audit Partner Rotation;
- Auditor's disclosure of contingent liabilities;
- Auditor's disclosure of qualifications and consequent action;
- Management's certification in the event of auditor's replacement;
- Auditor's annual certification of independence;
- CEO and CFO certification of annual audited accounts;
- Setting up of independent Quality Review Board;
- Proposed disciplinary mechanism for auditors;
- Defining an independent director;
- Percentage of independent directors;
- Minimum board size of listed companies;
- Disclosure on duration of board meetings/Committee meetings
- Tele-conferencing and video conferencing;
- Additional disclosure to directors;
- Independent directors on Audit Committees of listed companies;
- Audit Committee charter;
- Remuneration of non-executive directors;
- Exempting non-executive directors from certain liabilities;
- Training of independent directors;
- Establishing a Corporate Serious Frauds Office.

(c) The Government has approved the establishment of a Serious Frauds Investigation Office.